

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING

FHA--MUTUAL MORTGAGE & COOPERATIVE MANAGEMENT HOUSING INSURANCE

PROGRAM PERFORMANCE

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Strategic Goal FC: Promote participation of faith-based and community organizations.			
Discretionary BA (Dollars in Thousands)	\$0	\$0	\$2,462
FTE			
Headquarters	0	0	0
Field	0	0	6
Subtotal	6
S&E Cost (Dollars in Thousands)			
Personal Services	\$0	\$0	\$511
Travel	0	0	9
Rent, Communications & Utilities	0	0	0
Printing	0	0	0
Other Services	0	0	0
Supplies	0	0	0
Furniture & Equipment	0	0	0
Claims & Indemnities	0	0	0
Subtotal	520

EXPLANATION OF PERFORMANCE

Performance/Means and Strategies

Funding in the amount of \$2.5 million in program funding and \$0.5 million in Salaries and Expenses for a total of \$3.0 million directly supports Strategic Goal FC: Promote participation of faith-based and community organizations.

MMI/CMHI Funds. The Mutual Mortgage Insurance Fund consists of the basic single family home mortgage program (Section 203(b)), the largest of all the FHA programs.

The Section 203(b) program, enacted in the National Housing Act of 1934, provides mortgage insurance for one- to four-family residences. This program has contributed to expanding the opportunities for homeownership in the United States and will continue to meet the needs of first-time homebuyers, working families, and minority families, as well as underserved communities, especially central city and rural areas. Under the 203(b) program, any person able to meet the cash investment, mortgage payments and credit requirements may obtain an FHA-insured loan from a private lending institution to purchase a home. Since its inception through September 30, 2002, the MMI Fund has insured approximately \$1.3 trillion in mortgages for about 20 million families.

Credit Limitation. The Budget requests \$185 billion as limitation on new insurance commitments for fiscal year 2004. This limitation includes standby commitments to avoid the need for supplemental appropriations if the demand for insurance should exceed the projected level; but standby commitments are not reflected in the estimates for net outlays and receipts.

Mutual Mortgage and Cooperative Management Housing Insurance

FHA is, and has been, an important player in improving homeownership, especially for minority and low-income populations, and for first time homebuyers. A variety of FHA programs allows many homebuyers to find a program to suit their needs; the Mutual Mortgage Insurance Fund's 203(b) is the largest FHA program, providing insurance for loans to about 1 million homebuyers a year for the past several years.

Increased outreach to inform and interest faith-based and community groups in FHA's discount sales to non-profits and housing authorities is planned for fiscal year 2004, to increase opportunities for these groups. While FHA is now selling properties to these groups and making some direct loans to do so, a more intensive outreach effort from the Home Ownership Centers (HOCs) is expected to expand the program, so that additional amounts for loan limitations in the Direct Loan Financing accounts are being requested. This enhanced program effort is shown separately in fiscal year 2004 to reflect additional outreach beyond the current program, as part of an overall Departmental effort to strengthen and expand faith-based and community partnerships that enhance communities. A numeric target is not available at this time; as such efforts are largely dependent on the resources available to such groups and the macroeconomic climate.

Resource Management Information

FHA plans an increased effort at outreach from each of the HOCs to faith-based and community groups to provide FHA homes for discount purchase. No funds are shown for this goal in either fiscal years 2002 or 2003. The fiscal year 2004 resource levels reflect this increased outreach and Departmental emphasis on achievement of this goal.